

**Governmental Health Group of Rhode Island  
Minutes  
Regular Meeting of the Board of Directors  
Wednesday, March 26, 2008**

A regular meeting of the Board of Directors was held on Wednesday, March 26, 2008, at the Portsmouth Town Hall, 2200 East Main Road, Portsmouth, Rhode Island.

**Roll Call**

**Board of Directors**

Jane F. Correia	Director	Present
Shawn J. Brown	Director	Present
David P. Faucher	Director	Present
Harold "Ron" Devine	Director	Present
Miriam Goodman	Director	Present
Nancy Lalli	Director	Excused
Douglas Fiore	Director	Present
Giovanna Venditti	Director	Excused

**Alternate Board Members**

Edward Mara	Alternate	Excused
Catherine McLeish	Alternate	Present
Christine Tague	Alternate	Excused
Robert Mushen	Alternate	Excused
Maureen Macera	Alternate	Excused
Michael Saunders	Alternate	Excused
Frances Gallo	Alternate	Excused
Vacant	Alternate	Excused

**Others Present**

Lynne Dible	Secretary	Present
Maureen Maurer	Recording Secretary	Present
Kevin Walsh	Group Benefits Strategies	Present
Marc Gagnon	BCBSRI	Present
Tara Higgins	BCBSRI	Present

**Call to Order**

President Faucher called the meeting to order at 9:30 a.m. Secretary Dible reported that a quorum was present.

## **Agenda**

A motion was made by J. Correia, seconded by M. Goodman, to approve the agenda for the March 26, 2008 regular meeting. The motion was approved unanimously.

At this time, D. Faucher announced that this would be M. Goodman's last meeting with GHGRI, as she has taken a new job in Franklin, MA. He thanked her for her time and service.

## **Secretary's Report**

A motion was made by S. Brown, seconded by M. Goodman, to approve the minutes (previously e-mailed) for the March 26, 2008 regular meeting as amended. The amendment noted was to correct the spelling of H. Devine's name on page 3. The motion was approved unanimously.

## **Treasurer's Report**

S. Brown reported that there was income of about \$2,200,000 for the period July 2007 - February 2008, with a gain of about \$118,000 during the month of February 2008. There was no significant loss activity and no large claims. Dividend checks have been distributed.

A motion was made by J. Correia, seconded by M. Goodman, to receive the Treasurer's Report for the period ending 2/29/08. The motion was approved unanimously.

## **Warrants**

A motion was made by S. Brown, seconded by J. Correia, to approve the March 2008 Warrant for the amount of \$404,956.85. The motion was approved unanimously.

## **Self-Funded Cost vs. Funding Analysis/ High Cost Claim Report**

K. Walsh provided a handout (previously emailed) and reviewed the Self-Funded Cost vs. Funding analysis for the policy period 7/1/07 – 6/30/08, which is at an overall cost/funding ratio of 93% for the eight month claims activity as of the end of February 2008. He also reviewed the High Cost Claim Report paid through February 2008, for which there are no excess claims over \$300,000. The report also tracks 4 excess claims over \$300,000 for the 7/1/06 – 6/30/07 policy period.

## **OLD BUSINESS**

### **Blue Cross Specialty Rx Benefit Changes**

Marc Gagnon from Blue Cross & Blue Shield RI introduced Tara Higgins, a Clinical Pharmacy Specialist, BCBSRI, to discuss changes in prescription benefits with regard to specialty drugs. He reviewed a handout on drug utilization information, which recorded the number of claimants whose drug claims exceeded \$10,000/year in each GHGRI entity.

T. Higgins distributed an overview of the Specialty Pharmacy Benefit and discussed the challenge of managing expensive drugs at a cost that ensures patient-appropriate access. The specialty pharmacy benefit will be implemented upon a group's renewal after April 1, 2008, with the change over occurring in tandem with each member's contract renewal. Two specialty pharmacies, CVS Caremark of Milford, MA, and Village Pharmacy (for infertility treatments) will fill all prescriptions for specialty drugs. These drugs will have their own specific in-network co-payments, will be covered under the pharmacy benefit rather than the medical benefit and will require prior authorization. Physician specialists will write prescriptions for members who would then be able to order the specialty medications directly by internet or phone. The medication would be delivered directly to the home, to the doctor's office or to an outpatient clinic, depending on how the drug is administered. The most immediate impact to the members will be an increase in co-payments for specialty drugs, but this will be noticed only by those members who are currently using specialty medications.

There was some discussion about how increasing mail-order and generic drug purchases among members might benefit the group, particularly the latter.

### **Draft correspondence to legislators informing them of impact of Supplemental Budget on GHGRI**

D. Faucher reported that eleven letters have gone out in the last few days to state senators and representatives to inform them about the GHGRI and its goals.

### **New Members Status**

The request for membership by the Southern RI Collaborative was rejected because it has less than 50 employees. Consequently, it is required by the State law to participate in a small employer program.

In reply to an inquiry about the eligibility of Northern Rhode Island Collaborative ("NRIC") to join GHGRI, Attorney Stephen D. Zubiago of Nixon Peabody LLP, stated in a letter to D. Faucher that NRIC or the NRIC municipal members can be members of GHGRI. A motion to accept NRIC's application as a member, subject to the concurrence of Blue Cross's legal counsel, was made by J. Correia and seconded by S. Brown. The motion was passed unanimously.

S. Brown made a motion, seconded by H. Devine, that NRIC should not be granted a voting seat on the board. The motion passed unanimously.

In analyzing data on GHGRI New Member Status, K. Walsh stated that the City of East Providence posed a reasonable assumption of risk, given that it had 650 members. S. Brown made a motion, seconded by J. Correia, to add the City of East Providence to GHGRI. The motion passed unanimously.

### **Dental Subset Status**

K. Walsh reported that Ginger Hastings has received the proposed contract from Delta Dental which she is reviewing.

## **NEW BUSINESS**

### **GHGRI vs. State RI Survey**

K. Walsh reported that he will re-send the survey to members so that they can respond to it.

### **Health Initiatives**

D. Faucher suggested that the group explore health initiatives for the coming year, such as Health Saving Accounts and Wellness programs. He distributed a copy of an article about wellness programs and how they might effectively result in significant savings for a self-insured health program.

### **Support of Legislation**

S. Brown reported that the RI legislature is considering a new piece of legislation, House Bill #7776, that would strip bargaining units from naming a health group or organization. He recommends that GHGRI send a resolution supporting this bill. M. Goodman made a motion, seconded by J. Correia, to have the President send a letter to legislators expressing support for the bill. The motion passed unanimously.

### **Recommendation of Stipend for Dave Faucher**

S. Brown recommended that D. Faucher should receive a stipend for attending additional outside meetings at night, and that GHGRI should compensate its president at some level for his time and effort. D. Faucher expressed his appreciation for the gesture, but he declined the offer.

### **Recommendation to Distribute Dividend**

S. Brown would like the group to consider distributing out \$1 million in dividends to its members. S. Brown and K. Walsh will make a recommendation to the members to have \$1 million dividend distributed out after July 1, 2008. This suggestion will be voted upon at the next meeting.

**Adjournment**

A motion to adjourn at 11:40 a.m. was made by M. Goodman, seconded by D. Fiore. The motion was approved unanimously.

The next regular meeting will be held on April 23, 2008, at Portsmouth Town Hall.

Respectfully submitted,

Lynne S. Dible, Secretary

Maureen D. Maurer, Recording Secretary